For KCC Use:

Eff	e	ct	iv	е	Date

District	#	

SGA?	Yes	No

KANSAS CORPORATION COMMISSION **OIL & GAS CONSERVATION DIVISION**

March 2010 Form must be Typed Form must be Signed All blanks must be Filled

Form C-1

1099191

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Expected Spud Date:	Spot Description:
month day year	
OPERATOR: License#	
Name:	feet from L E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	County:
Contact Person:	Lease Name: Well #:
Phone:	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic ; # of Holes Other Other:	Nearest Lease or unit boundary line (in footage): Ground Surface Elevation: Water well within one-quarter mile: Yes No Public water supply well within one mile: Yes No Depth to bottom of fresh water: Depth to bottom of usable water: Surface Pipe by Alternate: I Length of Surface Pipe Planned to be set: Length of Conductor Pipe (if any): Dearth
Well Name:	Projected Total Depth:
Original Completion Date: Original Total Depth:	Formation at Total Depth:
Directional, Deviated or Horizontal wellbore? Yes No	Water Source for Drilling Operations: Well Farm Pond Other:
Bottom Hole Location:	(Note: Apply for Permit with DWR)
KCC DKT #:	Will Cores be taken?
	If Yes, proposed zone:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

- 1. Notify the appropriate district office *prior* to spudding of well;
- 2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
- 3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
- 4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
- 5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
- 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 DAYS of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. In all cases, NOTIFY district office prior to any cementing.

Submitted Electronically

For KCC Use ONLY	
API # 15	
Conductor pipe required	feet
Minimum surface pipe required	feet per ALT.
Approved by:	
This authorization expires:	
Spud date: Age	ent:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

ш

Well will not be drilled or Permit Expired Date: _ Signature of Operator or Agent:

Signature	0I	OF
	_	



Section corner used: NE NW SE SW

For KCC Use ONLY

API # 15 - ____

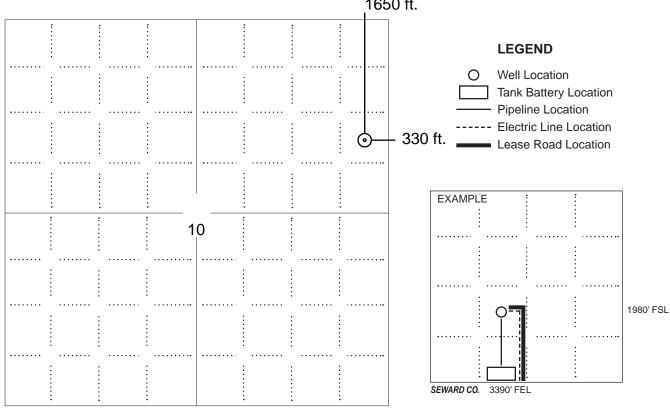
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	SecTwpS. R E U W
Number of Acres attributable to well:	Is Section: Regular or Irregular
	If Section is Irregular, locate well from nearest corner boundary.

PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired. 1650 ft.



NOTE: In all cases locate the spot of the proposed drilling locaton.

In plotting the proposed location of the well, you must show:

- 1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
- 2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
- 3. The distance to the nearest lease or unit boundary line (in footage).
- If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

Side Two



KANSAS CORPORATION COMMISSION **OIL & GAS CONSERVATION DIVISION**

1099191

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

	Sul	bmit in Duplicate	e		
Operator Name:			License Number:		
Operator Address:					
Contact Person:			Phone Number:		
Lease Name & Well No.:			Pit Location (QQQQ):		
Type of Pit: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) Is the pit located in a Sensitive Ground Water A	Pit is: Proposed [If Existing, date cor Pit capacity: rea? Yes I	Existing <pre>nstructed: (bbls)</pre>	Sec. Twp. Feet from Feet from Chloride concentration:	n North / Sout	East West th Line of Section st Line of Section County mg/l
is the pit located in a Sensitive Ground Water Al		NU		rgency Pits and Settling I	
Is the bottom below ground level?	Artificial Liner?	lo	How is the pit lined if a p	plastic liner is not used	<u>1</u> ?
Pit dimensions (all but working pits):	Length (fee	et)	Width (feet)	N/A	: Steel Pits
Depth from	m ground level to dee	pest point:	(feet)	No	Pit
If the pit is lined give a brief description of the lir material, thickness and installation procedure.	ier		dures for periodic mainten cluding any special monit]
Distance to nearest water well within one-mile o	f pit:	Depth to shallow Source of inform	west fresh water nation:	feet.	
feet Depth of water well	feet	measured	well owner	electric log	KDWR
Emergency, Settling and Burn Pits ONLY:		Drilling, Worko	ver and Haul-Off Pits Of	NLY:	
Producing Formation:		Type of material	l utilized in drilling/workove	er:	
Number of producing wells on lease:		Number of work	king pits to be utilized:		
Barrels of fluid produced daily:		Abandonment p	procedure:		
Does the slope from the tank battery allow all sp flow into the pit? Yes No	pilled fluids to	Drill pits must b	e closed within 365 days o	of spud date.	
Submitted Electronically					

KCC OFFICE USE ONLY Liner Steel Pit RFAC RFAS Permit Date: Lease Inspection: Yes No Date Received: Permit Number:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

ONSERVATION DIVISION

Form KSONA-1 July 2010 Form Must Be Typed Form must be Signed All blanks must be Filled

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License #	Well Location:
Name:	
Address 1:	County:
Address 2:	Lease Name: Well #:
City: State: Zip:+	If filing a Form T-1 for multiple wells on a lease, enter the legal description of
Contact Person:	the lease below:
Phone: () Fax: ()	
Email Address:	
Surface Owner Information:	
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional
Address 1:	sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the
Address 2:	county, and in the real estate property tax records of the county treasurer.
City: State: Zip:+	

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

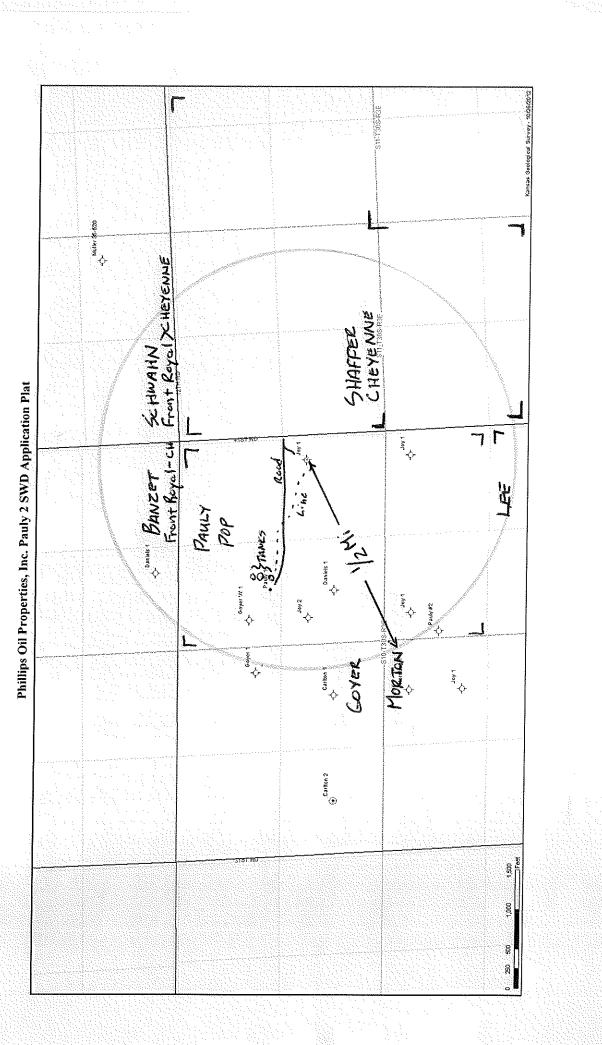
- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- □ I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

Submitted Electronically

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PHILLIPS OIL PROPERTIES, INC.

1822 S. Mead, Wichita, KS 67211, 316.265.7779, 316.265.1942 FAX

October 29, 2012

Kansas Corporation Commission Conservation Division Finney State Office Building 130 S. Market, Room 2078 Wichita, KS 67202

Attn: Mr. Rick Hesterman

Re: Pauly 2 OWWO 10-30S-3E Cowley Co., KS

Mr. Hesterman,

This well is an OWWO and has 177' of 8-5/8" surface casing set. I am requesting an exception to Table I surface casing requirement of 300 feet for this area.

For the U-1, Application for Disposal, I am requesting Design Approval and will be cementing the longstring with a DV tool at 320' to properly cement the surface to protect all usable water zones.

Please process or contact me with any questions or concerns.

Respectfully,

Troy A. Phillips Geologist Conservation Division Finney State Office Building 130 S. Market, Rm. 2078 Wichita, KS 67202-3802 Kansas Corporation Commission

Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Mark Sievers, Chairman Thomas E. Wright, Commissioner Shari Feist Albrecht, Commissioner Sam Brownback, Governor

NOTICE TO OPERATORS FILING INTENT TO DRILL FOR DISPOSAL OR ENHANCED RECOVERY INJECTION WELLS, (CLASS II INJECTION WELL)

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in K.A.R. 82-3-400 et seq of our regulations. Associated regulations governing drilling,completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.

STATE OF KANSAS STATE CORPORATION COMMISSION

Give All Information Completely Make Required Affidavit Mail or Deliver Report to: Conservation Division State Corporation Commission 211 No. Broadway Wichita, Kansas

NORTH

Cowley County. Sec. 10 7 Location as "NE/CNW%SW%" or footage from lines NE	[wp. <u>305</u> Rge] SE NE	<u>3</u> 些 (E)(W)
Lease Owner Shawver-Armour, Inc. 817 Cen	tral Bldg.	Wichita, Kan
Lease Name Joy		Well No. 1
Office Address 817 Central Bldg., Wichita,	Kansas	
Character of Well (completed as Oil, Gas or Dry Hole)	Dry ho]	e
Date well completed	6/17	19.58
Application for plugging filed	6/17	19 58
Application for plugging approved	. 6/17	19 58
Plugging commenced	8/17	19.58
Plugging completed	6/17	₁₉ 58
Reason for abandonment of well or producing formation	Dry h	
If a producing well is abandoned, date of last production		10

Locate well correctly on above Section Plat

Name of Conservation Agent who supervised plugging of this well_ Producing formation____ _____ Depth to top_____ Bottom_____ Total Depth of Well 3130 Feet Show depth and thickness of all water, oil and gas formations.

menced? Yes

Surface	CONTENT	FROM	то	SIZE	PUT IN	PULLED OUT
	Water	0	1771			
	Ma.uer			8 5/8"	1771	none
Describe in detail the manner introducing it into the hole. If of feet for each plug Heavy mud 3130 t No. 1 Plug 10' of	cement or other plugs w g set. 20 175 !	vere used, state th	e character of	nud fluid was pla same and depth	aced and the met placed, from	hod or methods us feet
No. 2 Plug @ 381	I TOCK and 15	skx. cement	1	· · · · · · · · · · · · · · · · · · ·		
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ame of Plugging ContractorS	(If additions) hawver-Armour,	al description is neces	ssary, use BACK o	of this sheet)		
	17 Central Bldg		Kansas			
		37, 1201200	,			
KANGAG	, CO	UNTY OF S.	EDGWICK		SS.	
JAMES M. ARMOUR		(employee of o	wner) or (owne	r or operator) of	the above-describ
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15-035-002250000

WELL PLUGGING RECORD

Conservation Division Finney State Office Building 130 S. Market, Rm. 2078 Wichita, KS 67202-3802



Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Sam Brownback, Governor

Mark Sievers, Chairman Thomas E. Wright, Commissioner Shari Feist Albrecht, Commissioner

November 1, 2012

Phillips Oil Properties, Inc. 1822 S. Mead Wichita, KS 67211-4314

RE: Pauly #2, NE-SE-NE Sec.10-T30S-R3E, Cowley County, Kansas

Dear Mr. Phillips:

The Kansas Corporation Commission (KCC) has received your request, dated October 29, 2012, for an exception to the Table 1 minimum surface pipe requirement of 300 feet for the proposed re-entry and washdown of this well. From your request, the KCC understands that Phillips Oil Properties, Inc. is requesting to utilize the existing 177 feet of surface casing in this well bore and Alternate II cementing rules.

After review of this matter by technical staff it was determined that:

- 1. Bedrock at this location is the Permian Chase Group and is located at or near surface.
- 2. The depth of the deepest water well of record within one mile of the proposed location is 95 feet.

Based on this information, an exception is granted for the Table 1 Minimum Surface Casing Requirements with the following stipulations:

- Upon completion of the well, the production or long string casing nearest the formation wall shall be immediately cemented from a depth of at least 350 feet back to the surface. Notify the KCC District #2 office prior to spudding the well and one day before cementing the longstring so they may have the opportunity to witness the procedure.
- 2. Upon final abandonment of the well plugging will be performed according to KCC rules and KCC District #2 requirements.

Sincerely Yours,

Doug Louis Director

cc: Steve Bond – Prod. Dept. 38 Jeff Klock - Dist #2 Vria e-mail Conservation Division Finney State Office Building 130 S. Market, Rm. 2078 Wichita, KS 67202-3802



Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Mark Sievers, Chairman Thomas E. Wright, Commissioner Shari Feist Albrecht, Commissioner Sam Brownback, Governor

November 09, 2012

Troy Phillips Phillips Oil Properties Inc. 1822 S MEAD WICHITA, KS 67211-4314

Re: Drilling Pit Application Pauly 2 NE/4 Sec.10-30S-03E Cowley County, Kansas

Dear Troy Phillips:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (316) 630-4000.